

Glossary

ADOPTED BUDGET: Financial program that forms the basis for fiscal year appropriations, as adopted by the appropriating governing body (City Council).

APPROPRIATION: A legal authorization to make expenditures and incur obligations for specific purposes. Appropriations are usually limited in amount and time they may be expended. Total appropriations include the adopted budget and any supplemental budgets. The legal appropriation is the amount authorized by Council.

ASSESSED VALUE. Value of property subject to taxation. Under the provisions of Measure 50, assessed value for the 1997-98 tax year was set at 90 percent of the 1995-96 assessed value for each property in the state. The assessed value for each property is then allowed to grow a maximum of 3 percent per year, but cannot exceed the real market value of the property.

ASSESSMENT: Any fee, charge or assessment that does not exceed the actual cost incurred by a unit of government for design, construction and financing of a local improvement such as streets and alley paving, sidewalks and sewers.

BALANCE AVAILABLE: A non-departmental expenditure account consisting of a portion of the fund balance that is set aside for potential requirements within the current fiscal year. Unused funds are carried forward into the Beginning Working Capital for that fund. Any expenditure from the Balance Available account requires a Council resolution or ordinance.

BEGINNING WORKING CAPITAL: Funds carried forward from the current fiscal year into the next budgeted fiscal year that become a resource to support the appropriations for the next budgeted fiscal year.

BOND LEVY. Amount of levies needed to pay principal and interest on district bonded debt.

BOND or BOND ISSUE: A certificate of debt guaranteeing payment of the original investment plus interest on specific dates. Bonds are typically used by governments to pay for large public projects like fire stations.

BORROWING: 1 Funds for major capital improvement projects can be acquired through borrowing, which is repaid either through property taxes or project revenues. Borrowing is a way to match the benefits of a capital project with the users of that project over time. The City of Eugene uses short-term and long term borrowing to create, acquire or renovate capital assets. The City does not borrow on a short-term basis to support on-going operations.

BUDGET DOCUMENT: Written report showing a government's comprehensive financial plan for a specified period (usually one or two fiscal years), including both the capital and operating budgets. In Eugene, the budget document is

prepared by the City Manager and submitted to the public and the Budget Committee for review.

CAPITAL PROJECT FUND: A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities other than those accounted for in specific funds.

CAPITAL IMPROVEMENT PROGRAM: A major budgeting and planning tool through which needed capital projects are identified, evaluated, priced and discussed with the general public and the Budget Committee.

CAPITAL IMPROVEMENT: A term defined in ORS 310.410(19) to include land, structures, facilities, machinery, equipment or furnishings having a useful life longer than one year.

CAPITAL OUTLAY: A departmental expenditure. Includes items that generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings (ORS 294.352(6)). For the City, capital outlay expenditures are reviewed at each fiscal year end for purposes of classifying expenditures as “fixed assets”.

CAPITAL PROJECT: The acquisition, creation or extension of the useful life of a fixed asset that has a life expectancy greater than one year and a monetary value greater than a pre-defined threshold (\$5,000 for Eugene), such as a fire truck or a public building. Repair or renovation of an existing fixed asset, acquisition of equipment or general planning and design activities can also be considered a capital project under certain circumstances.

CENTRAL SERVICE ALLOCATION: A fund’s share of costs of the City’s significant central business functions based on a relevant basis of allocation. Expenditure is incurred by the fund based on its allocated share of General Fund resources for the fiscal year. The CSA is reimbursed to the General Fund via an “Interfund Transfer”.

CHARGES FOR SERVICE: Charges or fees established to recover part or all of the costs incurred in the provision of services by a government; based on the philosophy that the recipient of the benefits should pay for the services. Also called “user fees”.

CONTINGENCY: An account established to meet unanticipated requirements. A Council resolution or ordinance is required to move funds out of the contingency account into another account for expenditure. Considered a non-departmental expenditure for the City.

CURRENT SERVICE LEVEL: Portion of the budget that includes mandated (required by law) services and those services approved by the City Council in prior years.

DEBT SERVICE: The amount of money needed to make periodic payments on the principal and interest on an outstanding debt. Debt service is usually expressed as an annual amount.

DEBT: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debt of governmental units can include such items as general obligation bonds, revenue bonds, short term notes, lines of credit and leases.

DEPARTMENTAL EXPENDITURES: Current operating expenditures consisting of personnel and materials and services. Expenditures are decreases to the City's net financial resources.

DISTRICT TAX RATE. Tax rate expressed in dollars and cents per \$1,000 of assessed value. It is computed by adding together the permanent rate, the local option rate, the gap bond rate, and the bond rate for the district.

ELECTORS: A qualified voter who has the right to vote for the adoption of any measure.

ENTERPRISE FUND: A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. They are usually self supporting. In Eugene, the airport operations are accounted for as an Enterprise Fund, for example.

EXPENDITURES: Expenditures include current departmental expenditures (personnel services, services and materials, capital outlay) and non-departmental expenses (interfund transfers, loans, debt service, contingency, reserves, balance available and unappropriated ending fund balance).

FISCAL YEAR: A 12-month period that determines the time frame for financial reporting, budgeting and accounting. At the end of the fiscal year, the financial position and results of operations are determined. For the City of Eugene, the fiscal year is July 1 to June 30.

FIXED ASSETS: Tangible resources owned or held by an entity that are relatively fixed or permanent and have a monetary value above a pre-determined threshold (\$5,000 for the City of Eugene). Fixed assets include such general categories as land, land improvements, buildings, streets and bridges, storm drains, sewer systems and equipment attached to or purchased in conjunction with the acquisition of a fixed asset.

FTE (Full-time Equivalents): Used to denote the number of person hours necessary to fill a permanent position. A full-time position is 40 hours per week for the entire fiscal year and is designated as 1.0 FTE. A 0.5 FTE may be a half-time position for the entire year or a full-time position to begin or end in the middle of the year.

FUND BALANCE: The difference between a fund's "resources" and its "requirements".

FUND TYPE: There are seven generic governmental fund types: General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service and Fiduciary (Trust) Funds.

FUND: A fiscal and accounting entity to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives. Each fund is established for the purpose of carrying out specific activities or to attain certain objectives in accordance with legal restrictions or agreements.

GENERAL FUND: General operating fund of the City. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Principal sources of revenue are property taxes, charges for services and intergovernmental revenues. Primary expenditures of the General Fund are made for public safety, parks, recreation and cultural services and general administration.

GENERAL OBLIGATION BOND: A bond that is secured by the pledge of a government's "full faith and credit". General obligation bonds issued by a local government are secured by the government's ad valorem taxing power, which is typically not subject to a constitutional limitation on the tax rate. In Oregon, Measure 5 and Measure 50 define those general obligation bonds that are excluded from the M5 tax rate limits.

IMPACT FEES: Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development (e.g., parks or sidewalks).

INFRASTRUCTURE: Public domain fixed assets such as roads, bridges, streets and sidewalks and similar assets that are immovable and of value only to the government unit.

INTEREST: Cumulative interest and penalties collected in 2001-02 for successive years up to June 30, 2002.

INTERFUND LOANS: Loans made by one fund to another; a "non-departmental" expenditure.

INTERFUND TRANSFER: Amount distributed from one fund to finance activities in another fund. Shown as a non-departmental expenditure in the originating fund and a revenue in the receiving fund.

INTERGOVERNMENTAL REVENUE: The City receives grants from the federal, state and local governments, as well as a share of the state's cigarette and liquor taxes.

INTERNAL SERVICE FUND: A fund used to account for fiscal activities when goods or services are furnished internally to other departments or agencies on a cost reimbursement basis. Charges are made to other departments or agencies to support the fiscal activities. In Eugene, an example is the Stores and Information

Systems and Services Fund, which accounts for items such as data processing, document reproduction, telephones and related services used by all departments.

LEVY-BASED PROPERTY TAX SYSTEM. Tax system in which levies are determined by budget needs (which in many cases must be approved by voters), and tax rates are calculated as levies divided by assessed value. The alternative is usually a rate-based system in which tax rates are set by law or by voters, and levies are calculated as rates times assessed value. Under Measure 50, Oregon's tax system is predominately a rate-based system.

LEVY: Gross amount of property taxes imposed on taxable property. The net amount received by a government will be less than the gross levy as a result of delinquent or uncollectible payments or early payment discounts. Budgets are developed on the basis of the projected amount of property taxes receivable.

LIMITED TAX GENERAL OBLIGATION BOND: A bond that is secured by the pledge of a government's taxing authority that is limited as to the rate or amount.

LOCAL GOVERNMENT: Any city, county, port, school district, public or quasi-public corporation (including a municipal utility or dock commission).

LOCAL IMPROVEMENT: Capital construction project, or part thereof, undertaken by a governmental unit, which provides a special benefit only to specific properties or rectifies a problem caused by specific properties. The costs of the local improvement are assessed against those specific properties upon the completion of the project. The property owner may elect to pay for the assessment plus interest over a period of ten years.

LOCAL OPTION LEVIES. Property tax levies for operating purposes beyond the revenues generated by permanent tax rates. Local option levies must be approved by voters in a general election or an election that has at least 50 percent voter participation.

NON-DEPARTMENTAL EXPENDITURE: Expenditures of a fund including Debt Service, Interfund Transfers, Contingency, Reserves, Balance Available and Unappropriated Ending Fund Balance; are decreases to the City's net financial resources.

NON-GENERAL FUNDS: All funds other than the General (operating) Fund. These include: Special Revenue, Debt Service, Capital Project, Enterprise, Internal Service and Fiduciary (Trust) Funds.

OPERATING BUDGET: Financial plan for paying general operating expenditures. The operating budget includes funding for the City's daily operations, such as labor, materials, services and equipment acquisition, as well as debt service, miscellaneous fiscal transactions and reserve funds needed to provide services to the public.

OPERATIONS AND MAINTENANCE: Includes operating expenses, such as labor, materials, supplies and equipment, plus maintenance expenses for capital infrastructure. Does not include capital improvements, debt service on outstanding borrowing, reserve funds and other miscellaneous financial transactions.

OVERHEAD: Those elements of cost necessary in the production of a good or service that are not directly traceable to the product or service. Usually these costs, such as rent, heat, management and supervision, do not become an integral part of the product or service.

PAY-AS-YOU-GO FINANCING: A term used to describe the financial policy of a government to finance all of its capital costs from current revenues rather than by borrowing. A governmental unit that pays for some improvements from current revenues and for others by borrowing is on a partial or modified pay-as-you-go basis.

PERMANENT TAX RATE: Under Measure 50, each school district, local government and special district was assigned a permanent tax rate limit in FY98. This permanent tax rate applies to property taxes for operations. The City of Eugene's permanent tax rate limit is \$7.0058 per \$1000 of assessed value.

PERSONNEL SERVICES: All operating (departmental) expenditures. Consists of salaries and wages, fringe benefits, social security, retirement, long-term disability and unemployment contributions.

PRINCIPAL: The face amount or par value of a bond issue payable on stated dates of maturity.

PROGRAM: A group of related activities to accomplish a major service or function.

PROPERTY TAX: A tax assessed equally against the assessed value of all taxable property within a government's boundaries.

PROPOSED BUDGET: Financial and operating program prepared by the City Manager and submitted to the public and the Budget Committee for review.

PUBLIC EXEMPTIONS. Property owned by federal, state, or local governments (including counties, cities and towns, and school districts) is generally exempt from property taxation. This includes all public or corporate property used or intended for use for corporate purposes of local governments and all public or municipal corporations in the state. When such property is leased to a private party, the leased portion generally becomes taxable.

REAL MARKET VALUE: The real market value of a property was defined under Measure 50 to be the amount of cash that could reasonably be expected to be paid by an informed buyer to an informed seller, each acting without compulsion in an arm's length transaction occurring as of the assessment date for the tax year.

REAL PROPERTY: Total assessed value of real property, including land, buildings, structures, and improvements. Unless otherwise specified, this value is net of veterans' exemptions applied to real property.

REQUIREMENT: An expenditure or net decrease to a fund's resources, either a departmental, non-departmental or capital expenditure.

RESERVES: Resources earmarked for a specific purpose during a future period; resources can only be used for the purpose for which the reserve is established.

RESOURCE: Estimated beginning funds on hand plus anticipated receipts.

REVENUE BOND: A bond that is payable from the revenue generated from the operation of the facility being financed by the bond, such as a parking facility. A revenue bond can also be secured by any other revenues a jurisdiction decides to pledge.

REVENUES: Monies received or anticipated by the City from either tax or non-tax sources.

SPECIAL ASSESSMENT: Charges imposed against property in a particular locality because that property receives a special benefit by virtue of some public improvement, separate and apart from the general benefit accruing to the public at large. Special assessments must be apportioned according to the value of the benefit received, rather than the cost of the improvement and may not exceed the value of such benefit.

SPECIAL ASSESSMENT BOND: A bond issue payable from the payments on special assessments imposed against properties that have been specially benefited by the construction of public improvements, such as sidewalks or sewer systems.

SPECIAL REVENUE FUNDS: A fund used to account for the proceeds of certain revenue sources that are legally restricted to expenditure for specific purposes. In Eugene, the Road Fund is a Special Revenue Fund that accounts for maintenance and construction of the City's roads with resources provided by the City's share of gas taxes and Lane County Urban Transition Revenues.

SYSTEM DEVELOPMENT CHARGE (SDC): Designed to finance the construction, extension or enlargement of a park street, storm sewer or sewerage or disposal system. SDCs are imposed by a governmental unit as a condition to issuance of any occupancy permit or imposed by a governmental unit at such other time as, by ordinance, it may determine.

TAX LEVY: Total amount of property taxes imposed by a local government unit.

TAX RATE: The tax rate is applied to the assessed value of each property in order to determine a property's total tax bill. Tax rates are stated in dollars per \$1,000 of assessed value.

TAX: Compulsory charges levied by a government for the purpose of raising revenue. Taxes are used to pay for services or improvements provided for the general public benefit.

TAXROLL: The official list showing the amount of taxes levied against each property. For the City of Eugene, the tax roll is compiled and maintained by the Lane County Department of Assessment and Taxation.

TOTAL LEVY. Total levy submitted by the district, including the local option levy and the levy for bonded indebtedness.

TOTAL TAXES COLLECTED. Taxes collected by the tax collector during the fiscal year ending June 30, 2002. Tax collections are reported separately from interest and penalty collections.

UNAPPROPRIATED ENDING FUND BALANCE (UEFB): An amount set aside during the budget process that is earmarked to remain unspent during the year. UEFB is budgeted in order to ensure positive cash flow during the first few months of the fiscal year, prior to receipt of property taxes. Eugene has a City Council adopted policy to maintain UEFB at two months of operating expenditures (excluding contingency and reserves) in the General Fund.

URBAN RENEWAL DISTRICT: Urban renewal districts attempt to prevent the erosion of property values, as well as increase those values, by stimulating private investment in an urban renewal area. Urban renewal districts are authorized by the Oregon Constitution and state statutes. About 50 urban renewal districts exist in Oregon. They were created to economically improve areas that are blighted, underdeveloped or depressed. Urban renewal projects include land purchase/consolidation, development of utilities and public amenities (for example, streets, water, sewer, lighting, public spaces, parks, etc.).

USER FEES: Charges or fees established to recover part or all of the costs incurred in the provision of services by a government; based on the philosophy that the recipient of the benefits should pay for the services. Also called charges for services. In Eugene, user fees are charged for participation in recreation programs or attendance at a Hult Center event, building plan checks, landing fees at the airport and ambulance usage, among others.